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Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

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Report of the Advisory Committee on Administrative and Budgetary Questions

I. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Civilian Police Mission in Haiti (MIPONUH) for the period from 1 July 1999 to 30 June 2000 (A/55/753) and on the final disposition of the assets of the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and MIPONUH (A/55/667). During its consideration of the matter, the Committee met with representatives of the Secretary-General, who provided additional information.

Financial performance report of the United Nations Civilian Police Mission in Haiti for the period from 1 July 1999 to 30 June 2000

2. MIPONUH was established by the Security Council in its resolution 1141 (1997) of 28 November 1997, as a follow-on mission to UNTMIH for a one-year period beginning on 1 December 1997. Subsequently, in its resolution 1277 (1999) of 30 November 1999, the Security Council decided to continue MIPONUH in order to ensure a phased transition to the International Civilian Support Mission in Haiti (MICAH) by 15 March 2000 (see A/54/659, paras. 2-5).

3. In its resolution 53/222 B of 8 June 1999, the General Assembly appropriated an amount of $18,641,616 gross ($17,618,416 net) for the maintenance and liquidation of MIPONUH for the period from 1 July 1999 to 30 June 2000, inclusive of $927,537 for the support account for peacekeeping operations and $181,879, for the United Nations Logistics Base at Brindisi, Italy (UNLB). As indicated in table 1 of document A/55/753, the related expenditure amounted to $18,082,500 gross ($16,952,200 net), inclusive of $904,000 in unliquidated obligations. The resulting unencumbered balance of $559,116 gross ($666,216 net) represents, in gross terms, 3 per cent of the amount appropriated.

4. As indicated in paragraph 5 of document A/55/753, pursuant to the provisions of section IV of General Assembly resolution 49/233 A of 23 December 1994, the Advisory Committee concurred, in a letter from the Chairman of the Committee to the Secretary-General dated 10 December 1999, with the Controller's

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request of 6 December 1999 to enter into additional commitments of $2,201,284 gross ($1,987,784 net) to meet the cost of extending the MIPONUH mandate.

5. With regard to the status of reimbursement to troop-contributing Member States, the Advisory Committee was informed that, at 31 December 2000, reimbursement for formed units amounted to $4,112,070 (up to 15 March 2000), and no further amounts were owed for formed units. Reimbursement for contingent-owned equipment amounted to $417,346, estimated amounts owed for contingent-owned equipment amounted to $761,995 and unliquidated obligations for contingent-owned equipment amounted to $47,500. In addition, an amount of $747,995 for contingent-owned equipment is held in accounts payable.

6. As regards death and disability compensation, an amount of $300,000 was paid; there were six claims; unliquidated obligations amounted to $155,000; and three claims were pending.

7. Furthermore, the Advisory Committee was informed that, at 31 December 2000, the Mission's cash position was $10 million and unliquidated obligations for the period from 1 July 1999 to 30 June 2000 amounted to $656,960. The total amount assessed was $95.1 million; payments received were $75.4 million; and amounts outstanding were $19.7 million.

8. As indicated in paragraph 6 of document A/55/753, as a result of the extension of the mandate of MIPONUH, it was not possible to complete all of the liquidation tasks by 30 June 2000. In a letter to the Secretary-General dated 16 June 2000, the Advisory Committee concurred with the request of the Controller in his letter of the same date to continue the liquidation of the Mission up to 30 September 2000, to cover the related costs from within existing resources and to report to the General Assembly in the performance report of MIPONUH for the period ending 30 June 2000.

9. The Advisory Committee notes from paragraph 10 of document A/55/753 that it is proposed to retain an amount of $164,200 gross ($142,900 net) from the unencumbered balance for the completion of the liquidation tasks at Headquarters during the period from 1 July 2000 to 30 June 2001 ($143,900 gross) and to cover the cost of some tasks relating to the final audit of the Mission ($20,300 gross). At its request, the Committee was provided with detailed information on the liquidation activities to be carried out at Headquarters during the period from 1 July 2000 to 30 June 2001.

10. **In this connection, the Advisory Committee expresses concern about the weakness in liquidation planning identified in the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2000.**[1] The Board found with respect to MIPONUH that various requirements, as stipulated in the provisional liquidation manual, had not been adhered to or the planning documents could not be provided to audit. The Board found that planning documentation was not available at Headquarters for evaluation or approval and monitoring purposes. The Committee notes that the lack of timely accessibility of supporting documentation is of concern to the Board because not only does it prevent the Board from reviewing documentation but it is also one of the reasons for the delay in liquidating a mission in a timely manner. **The Advisory Committee recommends that, in the future, the Secretary-General's requests for resources for mission liquidation be accompanied by a detailed liquidation plan, including related human resources and a timetable for completion of all tasks and activities in the field and at Headquarters.**

11. The Advisory Committee notes that in the case of MIPONUH, as in other missions (e.g., the United Nations Mission in the Central African Republic (MINURCA) and the United Nations Mission of Observers in Tajikistan (UNMOT)), weaknesses in the implementation of liquidation activities may reflect, as pointed out by the Board, the lack of qualified staff or the fact that staff were not available. As noted below MIPONUH maintained a high vacancy rate of international and local staff.

12. The Advisory Committee notes from paragraph 9 and annex II, paragraph 4, of document A/55/753 that additional requirements for international and local staff costs resulted from the extension of the mandate of the Mission; however, the over-expenditure was limited to $267,900 owing mainly to savings arising from the high vacancy rates experienced by the Mission (25 per cent for international staff and 17 per cent for local staff).

13. **In the view of the Advisory Committee, when a mission is being liquidated, it is advisable to retain**

the personnel who have been handling the operation of the mission rather than to recruit temporary staff. In such cases, after the mission is liquidated, all efforts should be made to place the personnel retained for liquidation in other missions so that the Organization would continue to have recourse to their expertise and experience.

14. The Advisory Committee notes that expenditures amounting to $350,030, related to the lease of military-type vehicles for use by the formed police unit during the period under review, was recorded in the prior financing period due to an administrative oversight (A/55/753, annex II, para. 8). In this connection, the Committee recalls that the Board of Auditors had reiterated, in its report on the accounts of the United Nations operations for the financial period ended 30 June 2000,[2] its recommendation that valid expenditure incurred in a financial period should be accrued in the same financial period. **The Advisory Committee endorses the view of the Board that the Secretariat should continue to improve on processes ensuring accurate financial reporting.**

15. In paragraph 11 of annex II to document A/55/753, it is indicated that there was no requirement for the refurbishment of equipment before shipment to UNLB. The Advisory Committee notes from annex II A to document A/55/667 that 1,047 items, with an inventory value of $1,710,000, were transferred to UNLB and 3,130 items, with an inventory value of $9,018,200, were transferred to MICAH. The Committee sought clarification as to whether or not the equipment transferred to MICAH required refurbishment and the costs of the required refurbishment were borne by the receiving mission before transferring assets to UNLB. The Committee was informed that the assets had been transferred to MICAH at no cost. It is the view of the Secretariat that as long as the Department of Peacekeeping Operations fulfils its first priority in this regard, i.e., transfers to the other peacekeeping operations, it may make available surplus assets from peacekeeping operations to any United Nations activity funded from assessed contributions that has a demonstrated need for it.

16. The Advisory Committee recalls that in paragraph 40 of its report of 1 April 1999 (A/53/895), it had noted that vehicles that were damaged and deemed to be unrepairable or beyond economical repairs were often cannibalized to retrieve re-usable parts for other repairs and that the remaining scrap was accumulated for extended periods at scrap yards awaiting disposal. The Committee remains concerned with the possible environmental problems that may result from inadequate disposal of unusable vehicles and other equipment. **The Advisory Committee recommends that, in the future, information be provided in the performance reports of missions in liquidation on the plans and activities under implementation to address environmental consequences of United Nations peacekeeping operations as they relate to equipment, vehicles and other materials requiring disposal.**

17. The Advisory Committee notes that the performance report does not disclose miscellaneous income received during the financing period (e.g., income received from the sale of equipment). **The Advisory Committee recommends that in the future the performance reports of peacekeeping missions disclose the miscellaneous income received during the reporting period in the corresponding tables.**

Final disposition of assets of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

18. The report (A/55/667) provides details on the final disposition of the assets of UNSMIH, UNTMIH and MIPONUH. The inventory value of the assets of the Missions at 15 March 2000 amounted to some $27.2 million. This included assets identified as meeting the requirements of other United Nations missions, which were transferred to other United Nations missions, to Headquarters or to UNLB for temporary storage, with an inventory value of $12.2 million (or 46 per cent of total value); assets sold to other organizations or sold within the mission area, with an inventory value of $9.4 million (or 34 per cent of total asset value); assets written-off, with an inventory value of $5.1 million (or 19 per cent of the total value); and assets stolen during the course of the mission, with an inventory value of $0.3 million (or 1 per cent of total value) (A/55/667, paras. 4 and 5).

19. According to the report of the Secretary-General, the disposal of the assets of UNSMIH/UNTMIH/MIPONUH was guided by the principles endorsed by the General Assembly in section VII of its resolution

49/233 A of 23 December 1994, as summarized in paragraph 3 of document A/55/667. **The Advisory Committee points out that, in accordance with the guidelines, as regards assets left with the national authority, it is essential to request approval by the General Assembly of any such disposition of mission assets, which would provide for free-of-charge contribution to the Government (see A/55/667, para. 3 (d)).**

20. As indicated in paragraph 6 of document A/55/667, assets written off or stolen amounted to $5,387,600, including property unaccounted for ($648,100), unserviceable assets due to wear and tear ($2,919,600), assets lost in hostile action ($16,600), accident ($492,600), damaged assets beyond repair ($524,500), uneconomical to recover ($453,600) and assets lost due to theft ($332,500). As shown in annex IV, sections A and C, to the report, 312 items were reported as unaccounted for and 326 items were reported as thefts. Measures taken to address this problem are discussed in paragraphs 6(a) and 6(g) of the report.

21. **The Advisory Committee expresses concern at the large number of inventory items reported as unaccounted for and stolen.** The Advisory Committee notes that items reported as unaccounted for include 20 prefabricated buildings, 152 radio and other communication equipment, 4 items of office equipment (including 2 safes), 37 computers and other data-processing equipment and 99 items of other equipment (including 9 generators and 42 air conditioners). The Committee believes that, although a number of unaccounted for items may be attributable to lack of proper inventory control to account for unserviceable/cannibalized equipment, as indicated in paragraph 6(a), the majority of the unaccounted for items may be stolen assets. **The Advisory Committee trusts that the measures described in paragraph 20 above will prove effective. Moreover, the Committee trusts that the proper use of the field assets control system, including ensuring that it is complete, continuously updated and accurately maintained, as well as the measures described in the report to avoid losses of United Nations property, should result in better control of United Nations property in peacekeeping missions.**

Recommendations

22. **With respect to actions to be taken by the General Assembly, subject to the comments in the paragraphs above, the Advisory Committee recommends that the General Assembly approve the proposal of the Secretary-General in connection with the financing of MIPONUH, as indicated in paragraph 13 of the report of the Secretary-General (A/55/753).**

23. **The Advisory Committee also recommends that the General Assembly take note of the report on the final disposition of assets of UNSMIH, UNTMIH and MIPONUH.**

Notes

[1] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 5* (A/55/5), vol. II, chap. II, paras. 127-138.

[2] Ibid., para. 18.